

Dr. THE SHADE OF COCKER

AND THE

CHANCELLOR OF THE EXCHEQUER.

A Dialogue on the

INCOME TAX.

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## A DIALOGUE ON THE INCOME TAX.

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SCENE—*An Apartment in Downing Street, with blue books, writing materials, papers, and red tape. THE CHANCELLOR OF THE EXCHEQUER is discovered, absorbed in anxious thought.*

*Enters, rising from the ground, the SPIRIT OF COCKER.*

*Spirit of Cocker.* What meddlesome medium has summoned me from my resting-place?

*Chancellor of the Exchequer.* Forgive, illustrious shade, the unwarrantable intrusion upon your——

*Sp.* Speak, I pray you, with brevity—my time is short, at cockerow I depart; speak also with sincerity, we deal not in soft sawder in the spirit-world. Who are you? What do you want with me?

*Ch. of Ex.* I am the Chancellor of Her Majesty's Exchequer, an office of peculiar difficulty and——

*Sp. (aside, and interjectively).* Bosh!

*Ch. of Ex.* And, knowing well the kindness of your heart——

*Sp. (impatiently).* Spirits have no hearts; confine yourself to facts, and avoid metaphor. Feelings I possess—do not trifle with them.

*Ch. of Ex.* I humbly crave pardon. I was about to say that, being aware of the kindness of your disposition, I thought you might be willing to assist me in a difficulty which oppresses me greatly, and I took the liberty of calling you from the region of shades to solicit a word of your invaluable counsel.

*Sp.* You have my works; I left them for the guidance of such as you.

*Ch. of Ex.* I think I have a copy in my library of your invaluable work on the Science of Figures.

*Sp.* Don't attempt any deception. You may possess a copy of my great work, but it is clear you have never consulted it. It would have been more respectful had you done so before disturbing my repose. What is it you want?

*Ch. of Ex.* I was desirous, sir, of consulting you respecting the "unreasoning impatience of taxation" on the part of many who

have raised an outcry against the continuance of the Property and Income Tax.

*Sp. (angrily).* No such tax exists.

*Ch. of Ex.* Pardon me, respected shade of departed arithmetical accuracy, if I presume to question——

*Sp.* Read me the title of the Act of Parliament.

*Ch. of Ex. (taking up Act from table, reads).* "An Act for granting to Her Majesty Duties on PROFITS arising from Property, Professions, Trades, and Offices, until," etc.\*

*Sp.* A tax is granted to Her Majesty upon certain *profits*; certainly not upon property, as you very well know.

*Ch. of Ex.* I stand corrected; but *we* call it a Property and Income Tax.

*Sp.* I care not what you call it; you may throw dust in the public eyes, but you cannot in mine—spirits have none.

*Ch. of Ex.* But, sir, "what's in a name? a rose," you know, "by any other name will smell as sweet."

*Sp.* You will never make your tax sweet, 'call it by what name you will; it stinks in the public nostrils. But let that pass; only we will, if you please, call it by its right name, "a Tax on Profits."

*Ch. of Ex.* But is it not in fact a Property Tax?

*Sp.* No, sir. Is your brain property? Is ingenuity property? Professional skill, literary excellence, plodding well-directed industry, are these property?

*Ch. of Ex.* No, sir, not in a commercial sense; but we tax property also.

*Sp.* You do, the *profits* arising from property, but very gingerly. You lay burthens, heavy and grievous to be borne, on the profits of industry, but property hardly touches them with one of its fingers.

*Ch. of Ex.* Will you explain to me how the Property and In—I mean, tax on Profits does this?

*Sp.* Listen then, and I will instruct you. The Income Tax, as you call it, is a masterpiece of statecraft, originally invented by the late William Pitt; it is a contrivance of surpassing ingenuity for extracting the largest possible proportion of money from the pockets of the industrious and intelligent *creators* of wealth, in order that a proportionate immunity from taxation may be enjoyed by the *possessors* of wealth; it is a tax upon the working bees of the social hive, for the relief of the droues. The deep ingenuity of the contrivance consists in two things: first, the artfulness by which it deludes its victims into the belief that they are taxed equally or proportionately with other classes of society; and, secondly, the facility with which it extracts the money from the pockets of various classes in precisely the inverse ratio of the

amount of property possessed. In these respects I can only compare it to a bat which travellers wrote of in my day as infesting some southern climes, which lightly fanned with its wings into a soothing sense of security and repose the unconscious object from whom it extracted in full stream the current of life.

*(The Chancellor exhibits signs of impatience and dissent.)*

*Sp. (continuing).* Do you possess the works of my distinguished cotemporary and present coadjutor, Adam Smith?

*Ch. of Ex.* I have his works, and frequently consult them.

*Sp.* Then turn to the Fifth Book, Part II., of his "Wealth of Nations," under the head "Of Taxes," and read what you find there written.

*Ch. of Ex. (reading).* "I. The subjects of every State ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities. The expense of government to the individuals of a nation is like the expense of management to the joint tenants of a great estate, who are all obliged to contribute in proportion to their respective interests in the estate. In the observation or neglect of this maxim consists what is called the equality or inequality of taxation."

*Sp.* Very good. Now answer me; is your tax on Profits levied in accordance with the equitable and politic dictum of Adam Smith?

*Ch. of Ex.* We, that is, my respected predecessors and myself, have anxiously considered the subject, with the view of rendering the operation of the tax as equitable as possible, and finding the subject surrounded with difficulties, we—ahem—

*Sp. (interrupting).* Shirked it upon the House of Commons.

*Ch. of Ex.* In one sense we did so; that is to say, we moved the appointment of a Select Committee of that Honourable House, which resulted in—

*Sp.* I know—a blue book, and an outlay of £1000 in printing.

*Ch. of Ex.* The Committee reported the evidence, and that it was extremely difficult, indeed impossible, to levy the tax more equitably.

*Sp. (with indignation).* I'll simplify the matter for them before I have done with it.

*Ch. of Ex.* I must admit, sir, that the tax is not strictly a Property Tax; but how do you prove that the burthen falls in the inverse ratio of equity and fairness?

*Sp.* I shall make *you* prove that. Get me down a copy of my Rudiments of Arithmetic.

*Ch. of Ex. (producing a dusty volume).* Here, sir, is a copy of your invaluable treatise.

*Sp. (sarcastically).* Yes—"invaluable treatise" indeed—you may work a sum in the dust upon the cover.

*Ch. of Ex.* I must plead guilty of neglect of the science which derived additional lustre from your—

*Sp. (interrupting impatiently).* Can you find the present value of an annual sum?

*Ch. of Ex.* I think I can, aided by your useful manual.

*Sp.* Then find me the present value of £150 per annum for three years; interest at £4 per cent.\*

*(The Chancellor of the Exchequer works laboriously, while Shade of Cocker arrives at the result, by mental arithmetic of course.)*

*Ch. of Ex.* I make it £416.

*Sp.* That is right, nearly. Now sit down and find me also the present values of £150 per annum, for 5, 7, 10, 15, 20, 23, 30 and 50 years, and in perpetuity; and place the values, when found, in tabular juxtaposition.

*Ch. of Ex. (after considerable pause).* Here are the results, sir, in a tabulated form.

THE PRESENT, OR PROPERTY VALUES OF £150 PER ANNUM FOR  
THE PERIODS UNDERMENTIONED.

3 Years.	5 Years.	7 Years.	10 Years.	15 Years.	20 Years.	23 Years.	30 Years.	50 Years.	In Per- petuity.
£ 416	£ 667	£ 900	£ 1216	£ 1667	£ 2038	£ 2228	£ 2593	£ 3222	£ 3750

\* The arithmetical term "present value" is employed to represent the property value or amount which would be paid down by a purchaser for any sum to be received at a future period or periods, so as to recoup the purchaser the principal, with interest at a given rate. In commercial language, it is the discounted value of a future payment or payments. Thus £100 to be received at the end of a year is worth now £100, *minus* the interest of £100. In like manner, the value of an annuity of £100 for three years is £100, *minus* one year's interest, added to £100, *minus* two years' interest, added to £100, *minus* three years' interest; or, in other words, the amount of three sums of £100 discounted respectively for one, two, and three years. As compound interest is always charged and allowed in such calculations, the finding of the exact present value of an annual sum by common arithmetic is at best a tedious process, never resorted to. The process, by logarithms, is greatly simplified; but all calculations of the kind are almost entirely obviated by the use of Tables of the Present Value of £1 per annum, constructed by John Smart, formerly of the Chamberlain's Office, London, which Tables are to be found in all standard works treating of compound interest. By the mere multiplication of any fraction, found in the Tables, into the annuity, the result is almost instantaneously found. Thus, if the value of £150 per annum for three years is required, interest at £4 per cent., payable half-yearly, the Table gives, as the value of £1 per annum, 2.775, which being multiplied into £150, gives £416 5s. as the result.

This mode of finding present values lies at the base of all calculations for the purchase and sale of freehold and leasehold estates, annuities for terms of years, etc. The Tables in the Legacy Duty and Succession Duty Acts, for determining values at death, are derived from the same data, which could be equally applied in finding values for other fiscal purposes.

*Sp. (encouragingly).* Very well; now answer me a few questions. The sums you have found are the property values of £150 per annum?

*Ch. of Ex.* Yes; the amount which would be realized in the market.

*Sp.* Exactly; whether realized by actual sale or found by calculation, the sums you have given represent the *property* values.

*Ch. of Ex.* Yes; the property value of £150 per annum for three years is £416, and for fifteen years the value is £1667, and in perpetuity it is worth £3750.

*Sp. (angrily).* And yet you levy on all three the same sum annually, notwithstanding the difference in value to the possessors.

*Ch. of Ex.* How so?

*Sp.* What tax do you levy on an income of £150 per annum?

*Ch. of Ex.* £10, being 1s. 4d. in the pound.

*Sp.* Just so. You make a property worth £416 pay £10, and another worth £1667 pay £10, and another worth £3750 pay £10, is this what you call equitable taxation? Can you work a common proportion?

*Ch. of Ex.* Yes.

*Sp.* Then furnish me with the results of the following proportions:—

If £416 pays £10, what is that per cent.?  
 If £667 pays £10, what is that per cent.?  
 If £900 pays £10, what is that per cent.?  
 If £1216 pays £10, what is that per cent.?  
 If £1667 pays £10, what is that per cent.?  
 If £2038 pays £10, what is that per cent.?  
 If £2228 pays £10, what is that per cent.?  
 If £2593 pays £10, what is that per cent.?  
 If £3222 pays £10, what is that per cent.?  
 If £3750 pays £10, what is that per cent.?

*Ch. of Ex. (having worked out proportions).* Here are the several results:—

	£	s.	d.	
A with £416 pays at the rate of	2	8	0	per cent.
B with £667 pays at the rate of	1	9	11	per cent.
C with £900 pays at the rate of	1	2	2	per cent.
D with £1216 pays at the rate of	0	16	5	per cent.
E with £1667 pays at the rate of	0	11	11	per cent.
F with £2038 pays at the rate of	0	9	9	per cent.
G with £2228 pays at the rate of	0	8	11	per cent.
H with £2593 pays at the rate of	0	7	8	per cent.
I with £3222 pays at the rate of	0	6	2	per cent.
K with £3750 pays at the rate of	0	5	4	per cent.

*Sp.* Now, sir, you see the operation of your tax. Property worth £416, say, the tail of a lease, the end of a life interest, the remnant of professional capacity, the Long Annuities, which expire in 1860, and a thousand other brief and precarious incomes, you tax at the enormous rate of £2 8s. per cent. on their property value, while your Consols, Exchequer Bills, and other property in absolute possession, upon which you may realize to-morrow the full value of the perpetuity, you tax at the rate only of 5s. 4d. per cent.

*Ch. of Ex. (submissively).* That is so, sir.

*Sp.* And you think this a near approach to absolute equality, do you? to assume, first, that a man's brain is so much property, and bringing it to a money value, to tax £400 of that value as though it were £4000 stock or land; imposing upon one man 48s. per cent. property-tax, and upon another 5s. 3d. per cent. only. Again, you think it fair to tax the Long Annuitant, whose income expires in 1860, and whose property sells now for £416, according to your own calculation, at the rate of 48s. per cent. on the value, while you impose on the owner of annuities expiring in 1880 (twenty-three years hence) a tax at the rate of 8s. 11d. per cent., and on the owner of Consols, whose property will realize to-day £3750, just 5s. 4d. per cent.

*Ch. of Ex.* I fear the tax cannot be justified on the ground of equality.

*Sp. (with dignity).* I should think not, indeed. Accept, sir, and profit by this definition of your tax:—AN INCOME TAX, levied as at present, IS A GRADUATED PROPERTY TAX, THE GRADATION OF TAXATION BEING SO CONTRIVED AS TO FALL WITH CRUSHING WEIGHT ON THE SHOULDERS OF INDUSTRY, TO THE RELIEF OF ACCUMULATED WEALTH. In addition to this definition, I furnish you with a scale which I have prepared, to inform all classes at what rates the tax falls upon them (see Tables, pp. 13 and 14).

*Ch. of Ex.* Pray, sir, do not publish your scale until I have devised some tax as a substitute. Consider the difficulty of my position, the maintenance of the credit of the State, its honour at home and abroad, its dig—

*Sp. (impatiently).* Fudge! How can the credit and honour of any country be maintained by injustice and oppression? "Righteousness (equity) exalteth a nation"—so we read. Levy your taxes fairly, and the honour and credit of the country will take care of themselves.

*Ch. of Ex.* True, sir; but I was about, when you interrupted me, to remind you of the claims of the public creditor. Can you add to the obligations already conferred on me, by suggesting a tax as a substitute for that which, I suppose, I must relinquish?

*Sp.* Before doing so, I must inform you that we spirits enjoy clearer views of things than we did while looking through mortal



eyes, and *we* do not perceive any occasion at all for providing a tax as a substitute. To me it is quite apparent that a proper representation of the *tax-paying* people, due attention to the voting of supplies (which is now a farce), together with the very simple expedient of the publication of a detailed statement of the national receipt and expenditure, would obviate any occasion for substituted taxation.

*Ch. of Ex. (exhibiting extreme agitation).* Surely, sir, you would not advocate so imprudent a measure as the publication of the details of the expenditure of the several departments?

*Sp.* Indeed, I do advocate it. You have required it of the Poor Law Unions, have you not?

*Ch. of Ex.* Yes.

*Sp.* And of the Municipal Corporations, the Savings Banks, the Prisons, the Police, the County Courts, the Court of Chancery, etc.?

*Ch. of Ex.* Very true; but consider the different nature of their expenditure. You would not expose to the impertinent curiosity of the public gaze the amount received by this or that official, disclosing the secrets of the various departments? It would be striking a blow at the roots of our political institutions.

*Sp.* I know it would, and shall take steps for promulgating my views on the subject.

*Ch. of Ex. (in extremity of his agitation forgetting the spiritual nature of his visitant).* I pray you, good sir, do not act with precipitation in this matter; I will speak to Lord P——n, a place at the Treasury Board could not be more worthily occupied than by yourself. But stop—a vacant Garter is at his disposal, and would doubtless be offered for your acceptance.

*Sp. (interrupting, with a hearty laugh).* A garter! how can a spirit's leg be invested with a garter?

*Ch. of Ex. (awaking to a sense of his position).* True, I forgot myself for a moment; a dignity of that kind would be somewhat out of place.

*Sp.* Of course it would. Such things possess no value in the spirit world; from the order of the Seraphim of Sweden down to the Garter of Great Britain, all such decorations are alike worthless.

*Ch. of Ex.* Assuming, however, that a tax by way of substitute should be required, what tax do you recommend?

*Sp.* A PROPERTY TAX.

*Ch. of Ex.* But have you not demonstrated the difficulty of levying such a tax fairly?

*Sp.* Not at all. I required *you* to demonstrate that your Income Tax was, in one sense, a Property Tax; not an *equal* tax on the value of property, but a *graduated* sliding-scale Property Tax, the gradation of the taxation being in a ratio inverse to the

amount of the property. Confounding the produce of skill and labour with the interest arising from realized property, and then ignoring all those differences in the value of property arising from the duration of the income taxed, I endeavoured to convince you that your tax was a masterpiece of injustice. What I now propose as a Property Tax is a very different thing; by that term I mean an *equal* tax on the value of all realizable property in the country, so that if £100 shall pay £1, then £1000 will pay £10, and £10,000 will pay £100. This tax being levied upon fair principles, there could be no difficulty in making *all* contribute; whereas you now exempt a large proportion of the property of the country—viz., that which belongs to owners of property up to about £3000 in value\*—while you inflict the tax in its most oppressive form upon men living by labour of hand or brain, and who have not £10 worth of property in the world.

*Ch. of Ex.* But such a tax will drive property from the country.

*Sp.* It cannot drive away the laud, or houses, or factories, or funds, or mines, or railways; such fears are altogether delusive. Let me ask, however, have you no fears lest British industry, skill, and enterprise should seek more congenial treatment than they receive under your paternal management? What would be the value of land, where would the wealth of England be, or how would you raise your taxes, if British skill and enterprise should make themselves wings and fly away?

*Ch. of Ex.* But could the property of the country support the burthen?

*Sp.* First tell me, what is the estimated value of the property in Great Britain?

*Ch. of Ex.* It has been estimated, by the best statist, to be worth 5000 millions.

*Sp.* It is more than that, as your Income Tax returns demonstrate; but I will assume that your figures are correct. Now tell me, what is the average annual charge on the country for national purposes?

*Ch. of Ex.* Say, in time of peace, about 50 millions †

*Sp. (sharply).* Then 5000 millions cannot pay 50 millions, or, in other words, £5000 cannot bear the hurthen of £50 annually? Why, if all the existing taxes were swept away to-morrow, a Pro-

\* Amongst other financial paradoxes resulting from the working of the existing system is the following:—If a person has £3300 Consols and purchases £34 in addition, he is, by the transaction, a loser of £125. Thus, A has £3300 Consols, which produce less than £100 per annum, he therefore escapes taxation, paying *nil*. He purchases £34 Consols, making a total of £3334, which gives an income of £100 a year, and renders him liable to deduction of 11½*d.* in the pound=£4 15*s.* 10*d.*; if the tax is made permanent, this is equal to a capital of £159, so that he gains £34, and loses £159 in present value, or is in a worse position by £125.

† Omitting Post-office, Crown Lands, etc.

perty Tax would produce easily all the revenue of the country. It is, however, some 10 millions at the most that you are called upon to supply, now that the war is over; and you are bold enough to tell me that 5000 millions cannot pay 10 millions, or, in other words, that a tax of 4s. on the £100 in value would be an intolerable and insupportable burthen on property. You might just as well try to convince me that Moneygrub and Millionaire, of Lombard Street, are unable to pay their police rate. The simple truth is, you delude yourself about the excessive pressure of taxation on property, whereas property has never yet felt the strain. Your taxes oppress not so much because they are excessive, as because they bear unequally, and where there is not strength to support their weight. You set, so to speak, a pony to draw a laden waggon, and you yoke a team of cart-horses to a child's perambulator. From the man who maintains, as I did when in this world, a constant struggle for life and its common necessities, you wring (after taxing everything which he eats, drinks, and uses) some £15, £20, or £30, which is the very life-blood, bone, and sinew of himself and family; adding mockery to injury, by offering him a receipt for PROPERTY TAX. You then collect from those who enjoy every comfort and luxury, with money to spare for every form of indulgence, an amount insignificant in proportion to their property, and which does not trench upon the use or enjoyment of a single superfluity. To revert to the proportionate values again. Each of the properties I have referred to pays £10 annually for Income Tax, so that

<i>A</i> with £416 pays	$\frac{1}{41}$ st of his property.
<i>B</i> with £667 pays	$\frac{1}{66}$ th of his property.
<i>C</i> with £900 pays	$\frac{1}{90}$ th of his property.
<i>D</i> with £1216 pays	$\frac{1}{121}$ st of his property.
<i>E</i> with £1667 pays	$\frac{1}{166}$ th of his property.
<i>F</i> with £2038 pays	$\frac{1}{203}$ rd of his property.
<i>G</i> with £2228 pays	$\frac{1}{222}$ nd of his property.
<i>H</i> with £2593 pays	$\frac{1}{259}$ th of his property.
<i>I</i> with £3222 pays	$\frac{1}{322}$ nd of his property.
<i>K</i> with £3750 pays	$\frac{1}{375}$ th of his property.

(*Spirit continuing with dignity, and rising into the style of the late Sir Robert Peel*). Thus, sir, by a simple appeal to the invaluable science which I left for the guidance of an inattentive world, I have shown you that your Income Tax is, in fact, a graduated Property Tax—the gradation of the scale of taxation proceeding in the inverse ratio of fairness, sound policy, and ability to sustain the burthen. From neglect of that science with which my name is imperishably associated this evil has arisen, and has been perpetuated; and terrible has been the

punishment which retributive justice has inflicted on the degenerate sons of those who were my pupils and admiring disciples. By a simple return to the study of the sublime rule of PROPORTION, the tax on Incomes may be repealed, and a tax on Property, valued as property, may be introduced. Time warns me that I must be brief, for at cock-crowing our interview must terminate. There are two courses open to you : either repeal this tax on profits at once and for ever, and substitute a *bond fide, ad valorem*, Property Tax and go down to posterity—which means come to us in the Spirit world—"reading your history in a" grateful "nation's eyes;" or persist in the tax as at present levied (to palter with or tinker it is useless), and be swept out of office by the swelling flood of indignant intelligence which is rising hourly in the breast of the British people. (*The Chancellor displays emotion.*) Tell that people from me, that there are three things which I wish them to attend to:—1, Education ; 2, Competitive examination ; 3, Book-keeping.

*Ch. of Ex. (with cheerful aspect).* Ah! these are points which I have invariably urged on the Cabinet and advocated in the House ; attention to the education of the masses, and competitive examination as the basis of admission to clerkships in our public——

*Sp. Hold.* You misinterpret my meaning. I do not now allude to the masses or to the clerks. Let us begin at the head and not at the foot of the scale ; it will be time to consider the clerks when their betters are attended to. I wish you to communicate to the British people my desire that they should attend more to the education of their REPRESENTATIVES and HEAD OFFICIALS ; let these, before selection, be put through a course of simple arithmetic, including the first four rules, Proportion, and especially *Reduction*—a rule of which they appear to be lamentably ignorant ; let them be required to repeat by rote my Dialogue on the Income Tax before taking upon them their official duties ; a slight examination in English History and the principles of English Law may also be superadded.

Lastly, for my minutes are numbered, let the British people see to it THAT THE RECEIPT AND EXPENDITURE OF THE NATION ARE STATED CLEARLY, EXPLICITLY, AND IN DETAIL, ACCORDING TO THE RULES LAID DOWN IN MY ELEMENTARY TREATISE ON BOOK-KEEPING, AND PUBLISHED ANNUALLY, BEFORE FURTHER SUPPLIES ARE ASKED FOR.

(*The cock crows, the Shade of Cocker melts away ; the Chancellor is discovered at daylight seated at his bureau, a trace of sadness on his brow, but a wiser man.*)

TABLE I.

The Present Values of Incomes for various Periods *certain*, and Rates at which each are Taxed.

Years.	Present Value of £150 per Annum.	Amount of Tax levied Annually.	Rate per Cent. of Taxation.	Proportion of Property paid Annually.
3	£ 416	£ 10	£ s. d. 2 8 0	$\frac{1}{41}$ st
5	667	10	1 9 11	$\frac{1}{66}$ th
7	900	10	1 2 2	$\frac{1}{90}$ th
10	1216	10	0 16 5	$\frac{1}{121}$ st
15	1667	10	0 11 11	$\frac{1}{166}$ th
20	2038	10	0 9 9	$\frac{1}{203}$ rd
23	2228	10	0 8 11	$\frac{1}{222}$ nd
25	2343	10	0 8 6	$\frac{1}{234}$ th
30	2593	10	0 7 8	$\frac{1}{259}$ th
40	2968	10	0 6 8	$\frac{1}{296}$ th
50	3222	10	0 6 2	$\frac{1}{322}$ nd
60	3393	10	0 5 10	$\frac{1}{339}$ th
70	3509	10	0 5 8	$\frac{1}{350}$ th
80	3587	10	0 5 6	$\frac{1}{358}$ th
90	3640	10	0 5 5	$\frac{1}{364}$ th
Perpetuity	3750	10	0 5 4	$\frac{1}{375}$ th

*Explanation of Table.*—An income *certain* of £150 for fifteen years is worth £1667, and paying £10 Income Tax is taxed at the rate of 11s. 11d. per cent. on the present value, being  $\frac{1}{166}$ th part of the property. A similar income in perpetuity (say in the Funds) is worth £3750, it is taxed at 5s. 4d. per cent., being  $\frac{1}{375}$ th part of the value.

TABLE II.

Present Values of *Precarious Incomes*, enjoyed either for Life or during Capacity for Labour, at various Ages. Calculated at £5 per cent., Carlisle rate of mortality.

Age.	Present Value of £150 per Annum for Life.	Amount of Tax levied Annually.	Rate per cent. of Tax Annually during Life.	Present Value of £150 per Annum during Capacity.	Rate per cent. of Tax Annually during Capacity.
	£	£	£ s. d.	£	£ s. d.
20	2372	10	0 8 5	2295	0 8 8
25	2295	10	0 8 8	2208	0 9 0
30	2208	10	0 9 0	2119	0 9 5
35	2119	10	0 9 5	2008	0 9 11
40	2008	10	0 9 11	1897	0 10 6
45	1897	10	0 10 6	1749	0 11 5
50	1749	10	0 11 5	1552	0 12 10
55	1552	10	0 12 10	1341	0 14 11
60	1341	10	0 14 11	1164	0 17 2
65	1164	10	0 17 2	950	1 1 0
70	950	10	1 1 0	748	1 6 8
75	748	10	1 6 8	602	1 13 2
80	602	10	1 13 2	481	2 1 7
85	481	10	2 1 7	351	2 16 11

*Explanation of Table.*—The life income of £150, of a person aged 60, is worth £1341, and he is taxed on that value at the rate of 14s. 11d. per cent. As, however, men are generally incapacitated for active exertion before death, a column has been added, with the value of incomes at various ages, determinable five years before death (which period is assumed as the average period of incapacity); the income of the same person, aged 60, will, upon this assumption, be worth £1164, and he will be taxed at the rate of 17s. 2d. per cent.; a similar income in the Funds (see Table I.) is taxed at 5s. 4d. per cent.

By the above Tables I. and II. the values of incomes for periods *certain*, and also of *precarious* incomes, may be approximately ascertained, and the effects of the Income Tax upon them may be contrasted.